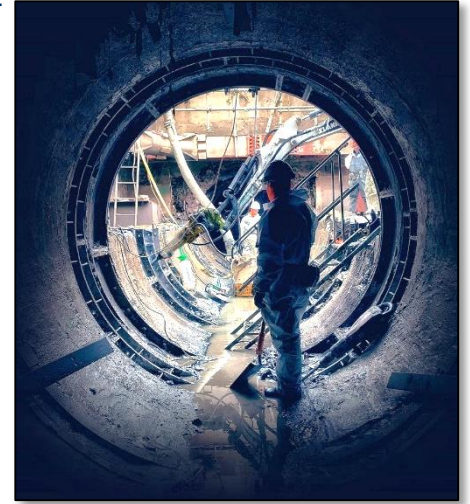


Executive Summary

Delancey Street Partners is pleased to present our Utility Services Sector Review for the year ended 2022. Despite macroeconomic headwinds, the sector proved resilient as utilities increased their capital spending plans to improve infrastructure safety and reliability, and the federal government passed landmark infrastructure legislation to support grid modernization, renewable power asset buildout, and underground infrastructure network rehabilitation. These investments spurred M&A activity across the industry as public companies pursued acquisitions to capitalize on the growing demand for electric and renewable power services and reduce their reliance on the oil and gas market. Meanwhile, private-equity backed companies leveraged bolt-on acquisitions to strengthen existing service offerings, expand their geographic footprint, and reduce customer concentration. In addition, privately-held utility services companies attracted significant attention from private equity investors, resulting in the formation of new platforms across the electric power, renewable energy, and underground infrastructure markets.



Topics of Discussion

- DSP Spotlight Trend: The Ecosystem of Underground Infrastructure Services
- Review of Public Company Stock Performance
- Notable M&A activity

DSP Spotlight Trend: The Ecosystem of Underground Infrastructure Services

The underground infrastructure services industry is essential for ensuring the safe, reliable, and efficient delivery of critical gas and water utilities to communities. Companies operating in this subset of the utility services sector offer a diverse range of specialized services such as pipeline renewal and cleaning, CCTV inspections, Cured-in-Place-Pipe Lining (“CIPP”), manhole inspections, pump station services, water main construction, cross-bore lateral inspections, hydro excavation, sewer root control, horizontal drilling, and utility mapping and locating services, among others. These services maintain the integrity and reliability of intricate underground systems which are often difficult to access. As utilities and municipalities continue to increase capital spending and outsource non-core activities, the fragmented ecosystem of underground infrastructure providers has taken on a central role in the installation, maintenance, repair, and upgrade of critical networks.

Trenchless technology has emerged as a major trend in the underground infrastructure market, revolutionizing the installation, repair, and replacement of underground pipelines and water systems. Undertaking a new project involving underground infrastructure poses a significant risk of collateral damage to existing networks due to the lack of visibility and accessibility. Trenchless technology is a method of identifying, installing, repairing, and replacing underground infrastructure without the need for extensive excavation or disruption to the surface which results in a faster, more cost-effective, and environmentally friendly solution compared to traditional open-cut methods.

The graphic below illustrates the breadth of services offered by underground infrastructure providers. While some companies focus on a single service, operators have increasingly adopted a turnkey approach by combining capabilities and achieving scale through M&A.

Representative Underground Infrastructure Services



Auger Boring



CCTV Inspection



CIPP Lining



Cross Bore Inspection



Damage Investigation



Directional Drilling



FOG Control



GIS Utility Mapping



Hydro Excavation



Infiltration & Inflow



Manhole Inspection



Micro Tunneling



Pipe Bursting



Pipeline Jetting



Sewer Root Control



Soil Stabilization



Stormwater Maintenance



Utility Locating

DSP Spotlight Trend (cont'd)

There is a compelling investment thesis for the underground infrastructure services ecosystem. Companies in this industry are relatively insulated from the economic cycle, as the need for infrastructure maintenance and upgrades is not significantly impacted by changes in the overall economy. Notable tailwinds underpinning growth in this market include:

Aging Infrastructure

The majority of gas and water pipelines in the U.S. were installed several decades ago, and have now surpassed their expected lifespan. The average U.S. network pipe is 45 years old. This has resulted in an increasing demand for repair, replacement, and rehabilitation services to mitigate the potential risks associated with deteriorating systems. Furthermore, the American Society of Civil Engineers gave the overall U.S. infrastructure a grade of C-, highlighting the urgent need to improve existing systems.

Urbanization and Expansion of Infrastructure Networks

Densely populated urban areas present unique challenges for traditional excavation methods due to significant disruption to people, traffic, businesses, and services. The costs associated with excavation disruptions will only increase as urban populations continue to grow and further strain existing infrastructure networks. Trenchless technology enables critical installations and repairs with minimal disruption to surrounding communities. According to the University of Michigan, the proportion of the U.S. population living in urban areas is expected to increase from 83.0% in 2020 to 89.0% by 2050, indicating that demand for trenchless technology will grow alongside the expanding infrastructure needs of cities.

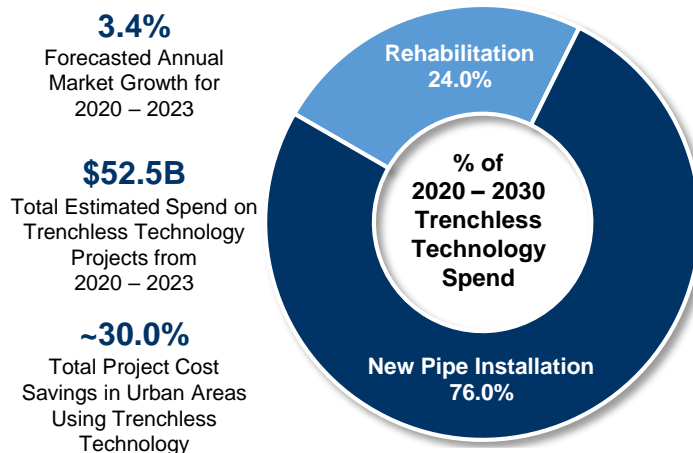
Environmental Sustainability and Damage Reduction

As policymakers become more aware of the impacts of traditional infrastructure development and repair methods, there is growing demand for environmentally friendly alternatives which do not generate harmful waste and debris. Trenchless technology offers a sustainable option. For example, the use of CIPP liners for gas and water main repairs involves inserting a flexible liner into a damaged pipe and curing it in place with heat or UV light, thereby extending its useful life. In addition, providers of ground-penetrating radar, electromagnetic detection, and utility locating services accurately map the location of underground utilities without the need for excavation, helping to prevent accidental damage during routine projects. As evidenced in the graphic to the right, the leading cause of infrastructure damages is due to insufficient locating practices.

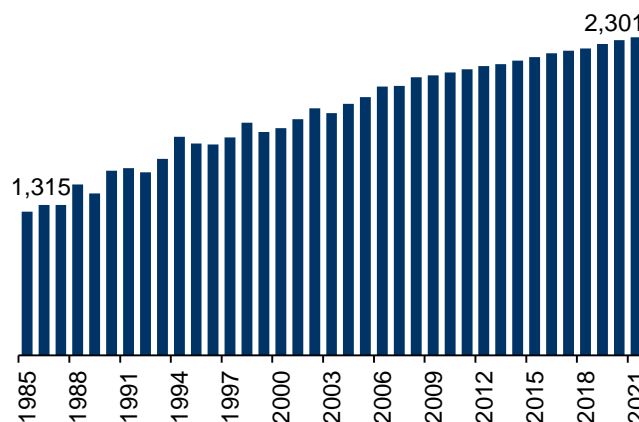
Government Investment and Legislation

Federal infrastructure programs, including the i) Water Infrastructure Finance and Innovation Act; ii) Water Resources Reform and Development Act; and iii) Infrastructure Investment and Jobs Act ("IIJA") are financing significant investments in infrastructure improvements. The IIJA has earmarked more than \$50.0 billion to improve wastewater and stormwater systems. Additionally, initiatives focused on gas pipeline integrity and investment, such as the Pipeline and Hazardous Materials Safety Administration and the 2016 Protecting our Infrastructure of Pipelines and Enhancing Safety Act have increased funding for pipeline safety and established minimum safety standards.

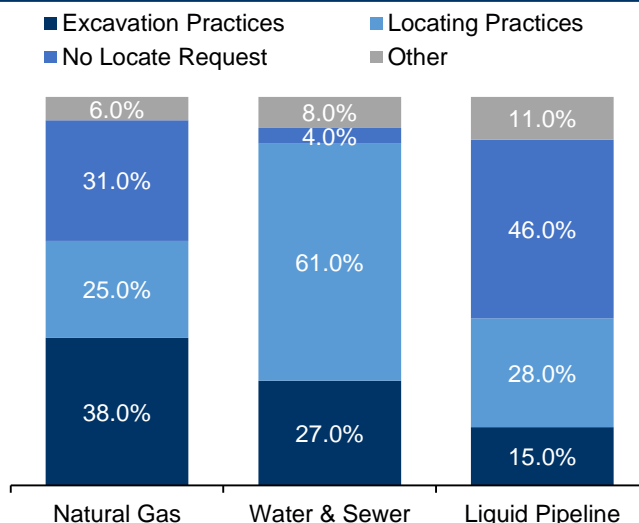
Trenchless Technology Key Market Statistics ⁽¹⁾



Total U.S. Gas Main and Service Mileage (in 000s) ⁽²⁾



Infrastructure Damages Breakdown ⁽³⁾



DSP Spotlight Trend (cont'd)

Fragmented Market with Ongoing Consolidation

Historically, the underground infrastructure services ecosystem has been characterized by a high degree of fragmentation, with most companies focused on serving a single regional market or municipality. These smaller companies are highly specialized, with expertise in specific services such as pipeline repair or sewer line replacement. In addition, regional providers often have deep knowledge of the local infrastructure network and procurement processes, enabling them to win contracts from utilities and municipalities. Given the localized nature of the industry, there are only a select number of companies that compete nationally.

In recent years, the industry has consolidated as private equity investors have established turnkey platforms through the acquisition and integration of smaller, specialized companies in different geographic regions with complementary services. Possessing a diversified suite of services and a broader geographic reach can differentiate a company from local competitors by acting as a one-stop-shop for all underground infrastructure projects. Additionally, access to a larger pool of resources, including equipment and labor, enables service providers to undertake larger and more complex projects that require a wider range of expertise. Furthermore, M&A has served as an effective strategy to source, attract, and retain craft labor talent, which is critical for the successful execution of projects in this labor-intensive industry.

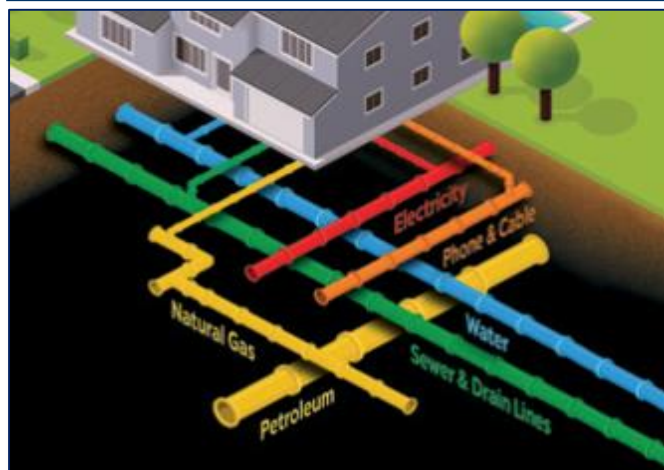
Segments of the industry that have undergone a considerable level of consolidation under private equity include CIPP lining, pipeline rehabilitation, CCTV inspections, and pipeline jetting / cleaning services. The combination of these capabilities eliminates the need for multiple contractors to complete different phases of the pipeline maintenance and repair process. This integrated approach enables service providers to work on pipelines throughout their entire life cycle, from installation to cleaning, inspection, lining, rehabilitation, and replacement.

Consolidation in utility locating services has also occurred. Several large national platforms have emerged focused on strategic acquisitions to enhance their technological capabilities, enabling them to provide more accurate and efficient locating of both public and private utilities.

What This Means

DSP expects M&A activity in the underground infrastructure services market to remain robust in the coming years as companies strive to enhance their service offerings and geographic reach through targeted acquisitions. Growth in the market will continue as utilities and municipalities outsource an increasing amount of activities to execute on multi-year capital expenditure plans to improve and maintain critical infrastructure networks.

Representative Underground Infrastructure ⁽⁴⁾



Representative Private Equity Platforms



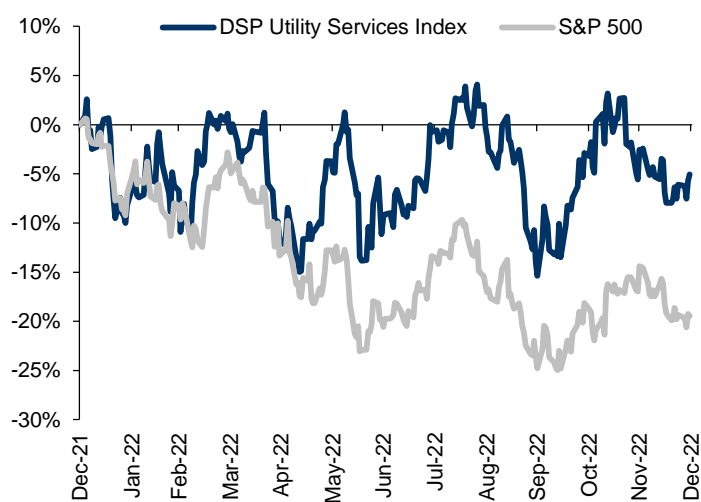
Review of Public Company Stock Performance

Despite a decline in 2022, utility services stocks outperformed the S&P 500, with an average annual return of -5.0% compared to the S&P 500's return of -19.4%. Primary factors driving the performance of the sector include broad market declines, rising interest rates, and inflationary pressures. The decline in utility services stocks occurred despite positive sector tailwinds, including: i) resilient demand for communications and fiber network improvements as a result of 5G adoption and the Rural Digital Opportunity Fund ("RDOF"); ii) significant federal funding programs such as the IIJA; and iii) an increase in capital spending plans by investor-owned-utilities ("IOUs") for grid hardening, grid reliability and renewable infrastructure build out.

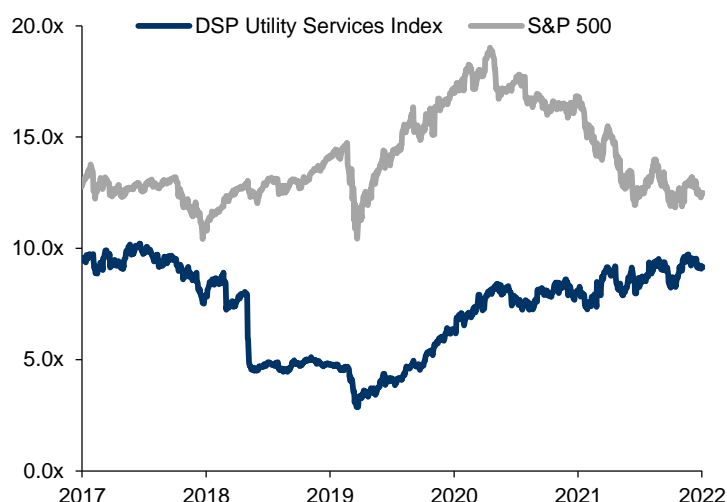
The median EV / LTM EBITDA multiple of utility services companies has steadily increased from its trough in 2019, while the S&P 500 has receded from its record high in 2021. Utility services companies have historically traded at a discount to the S&P 500 due to the labor-intensive, project-based nature of their operations, which are closely tied to the capital spending plans of utilities and municipalities.

In recent years, utility services companies have strategically diversified their operations through M&A away from oil and gas and into adjacent end markets. These more attractive utility segments include renewable energy, electric power, communications, and underground infrastructure. In addition, utility services companies have focused on building out their design, engineering, and project management capabilities to enhance their service offerings. As a result of this strategic shift, utility services companies have positioned themselves as comprehensive infrastructure providers with a broader range of capabilities and a more diverse business mix, which has been well received by investors.

One Year Stock Performance ⁽⁵⁾ ⁽⁶⁾



Historical EV / LTM EBITDA Multiple ⁽⁵⁾ ⁽⁶⁾



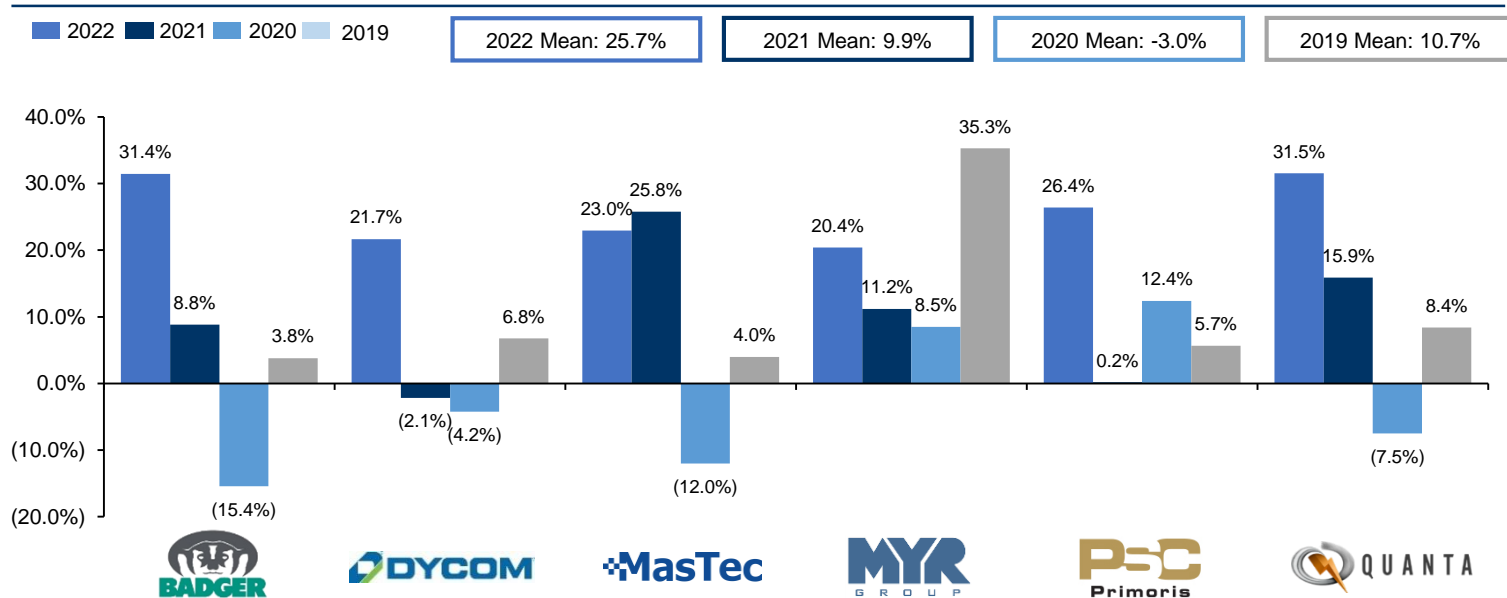
Utility Services Comparable Company Analysis ⁽⁵⁾

Company	Price	2022	Market	Enterprise	Gross	2022	EV /		EV /		P / E	
	12/30/2022	%Change	Value (\$mm)	Value (\$mm)	%Margin	%Margin	2022	2023P	2022	2023P	2022	2023P
Badger Infrastructure Solutions (TSX:BDGI)	\$19.70	(21.6%)	\$679.1	\$846.7	24.4%	17.5%	1.4x	1.3x	8.1x	6.1x	29.3x	15.0x
Dycom Industries (NYSE:DY)	93.60	(0.2%)	2,766.5	3,578.3	17.0%	9.3%	0.9x	1.0x	10.1x	10.6x	23.5x	18.2x
MasTec (NYSE:MTZ)	85.33	(7.5%)	6,566.1	8,951.7	12.2%	8.0%	0.9x	0.7x	11.5x	7.8x	28.1x	17.8x
MYR Group (NASDAQ:MYRG)	92.07	(16.7%)	1,528.4	1,613.7	11.4%	5.8%	0.5x	0.5x	9.2x	8.9x	20.6x	16.2x
Primoris Services Corporation (NASDAQ:PRIM)	21.94	(8.5%)	1,165.3	2,417.0	10.3%	6.4%	0.5x	0.5x	8.5x	6.7x	8.8x	8.3x
Quanta Services (NYSE:PWR)	142.50	24.3%	20,363.4	24,315.2	14.8%	9.9%	1.4x	1.3x	14.4x	13.5x	22.5x	20.2x
Overall Group Mean		(5.0%)	5,511.5	6,953.8	15.0%	9.5%	1.0x	0.9x	10.3x	8.9x	22.1x	16.0x
Overall Group Median		(8.0%)	2,147.5	2,997.6	13.5%	8.6%	0.9x	0.8x	9.6x	8.4x	23.0x	17.0x
Overall Group Max		24.3%	20,363.4	24,315.2	24.4%	17.5%	1.4x	1.3x	14.4x	13.5x	29.3x	20.2x
Overall Group Min		(21.6%)	679.1	846.7	10.3%	5.8%	0.5x	0.5x	8.1x	6.1x	8.8x	8.3x

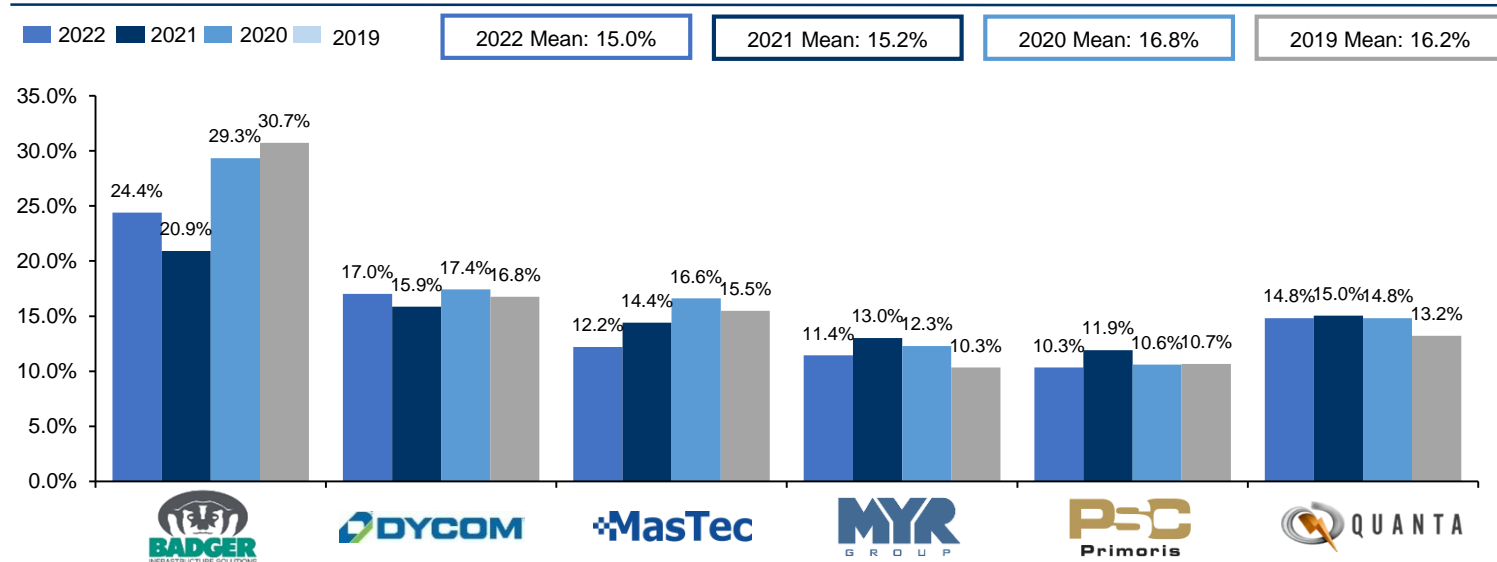
Stock Performance Commentary

Stats		<ul style="list-style-type: none"> • Stock return of -21.6% • Badger reported revenue growth of 31.4% YoY; Management cited growth was a result of increased customer demand due to non-residential construction activity in the U.S. • The Company stated profitability improved across all segments due to higher truck utilization. For example, revenue per truck increased 24.0% YoY • Badger reiterated a positive outlook on long-term growth opportunities for the U.S. and Canadian non-destructive excavation services market • Management noted a strategic shift away from the oil and gas end market
Sales:	\$591mm	
EBITDA:	\$104mm	
EBITDA %:	17.5%	
Stats		<ul style="list-style-type: none"> • Stock return of -0.2% • Dycom reported revenue growth of 21.7% YoY for 2022.; Management cited growth was a result of increased high-capacity telecommunications installations throughout unserved rural America • The Company's top five customers combined produced 65.8% of total revenue • Management noted extended geographic reach, expanded program management and network planning services, and increased demand for fiber deployments • Dycom reported fiber-to-the-home deployments continued to dramatically increase consumer data usage
Sales:	\$3,808mm	
EBITDA:	\$355mm	
EBITDA %:	9.3%	
Stats		<ul style="list-style-type: none"> • Stock return of -7.5% • MasTec reported revenue growth of 23.0% YoY in 2022; Management cited significant growth in new electric and renewable power end markets as a result of strategic acquisitions of INTREN, Henkels & McCoy, and IEA in 2021 and 2022 • MasTec backlog increased 30.0% YoY in 2022 as the company shifted away from oil & gas into larger, high-value energy transition services particularly in renewable energy • Management highlighted MasTec's oil and gas segment, which decreased \$386.0 million YoY as a result of shifting its focus and resources on higher priority end markets and projects
Sales:	\$9,778mm	
EBITDA:	\$781mm	
EBITDA %:	8.0%	
Stats		<ul style="list-style-type: none"> • Stock return of -16.7% • MYR reported revenue growth of 20.4% YoY in 2022; revenue of \$3.0 billion was a record high for the eighth consecutive year • Management cited growth was a result of robust investments in system hardening, grid modernization, transmission expansion, and the integration of clean energy sources • MYR's transmission and distribution segment increased 34.1% YoY as a result of steady bid activity which led to strategic wins and the expansion of new and existing client relationships
Sales:	\$3,009mm	
EBITDA:	\$176mm	
EBITDA %:	5.8%	
Stats		<ul style="list-style-type: none"> • Stock return of -8.5% • Primoris reported revenue growth of 26.4% YoY in 2022; Management cited the energy & renewables segment outperformed due to increased private / public investment within solar projects • The company's utilities segment increased by 45.8% YoY as a result of contributions from recent acquisitions of PLH and B Comm • Management stated it is continuing to integrate PLH across Primoris' three segments and expects to realize \$10.0 million in annual synergies • The company highlighted that tailwinds from recent federal legislative actions will continue to support future growth
Sales:	\$4,421mm	
EBITDA:	\$283mm	
EBITDA %:	6.4%	
Stats		<ul style="list-style-type: none"> • Stock return of 24.3% • Quanta reported revenue growth of 31.5% YoY in 2022; Management cited growth was a result of i) modernization programs within natural gas utilities and downstream industrials services, and ii) continued demand to modernize and harden the electrical grid • The company's renewable energy & infrastructure solutions segment increased by 107.0% YoY due to the integration of its Q4 2021 acquisition of Blattner (\$3.1 billion) • Management noted it will continue to focus on strengthening its design, engineering, permitting, environmental, logistics, and program management capabilities • Quanta's leading position as the largest and most diversified competitor in the sector reinforced investor confidence and contributed to the overall positive market sentiment
Sales:	\$17,074mm	
EBITDA:	\$1,685mm	
EBITDA %:	9.9%	

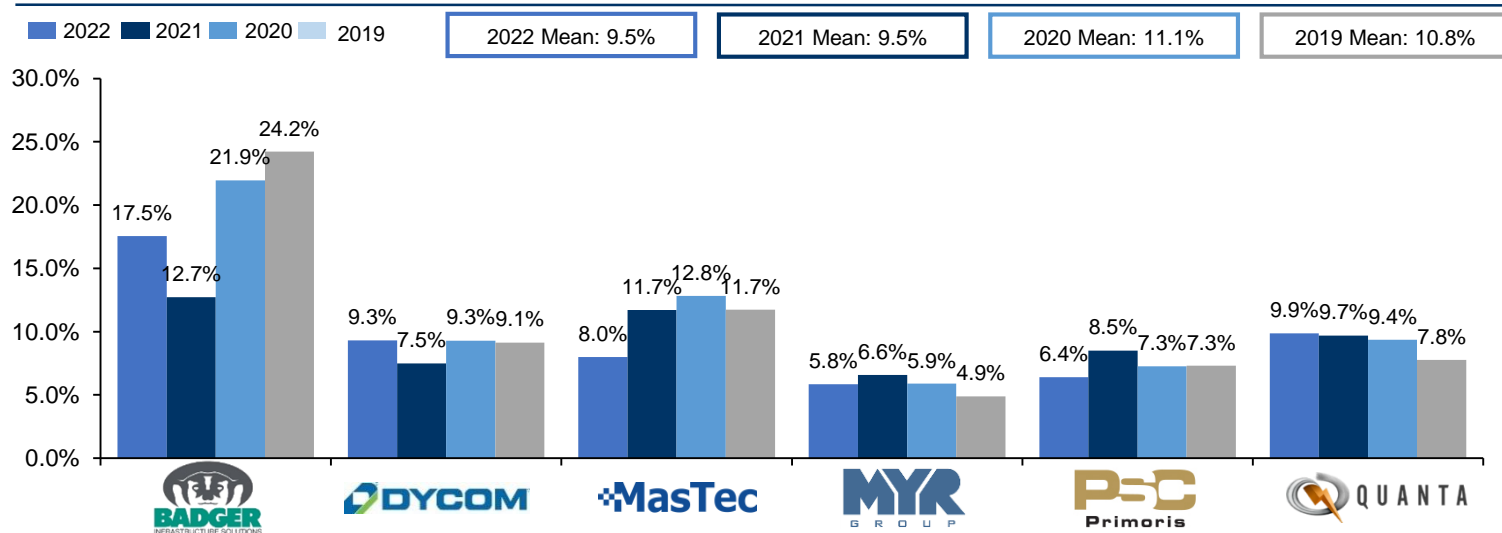
Revenue Growth ⁽⁵⁾



Gross Margins ⁽⁵⁾



EBITDA Margins ⁽⁵⁾



EV / EBITDA ⁽⁵⁾

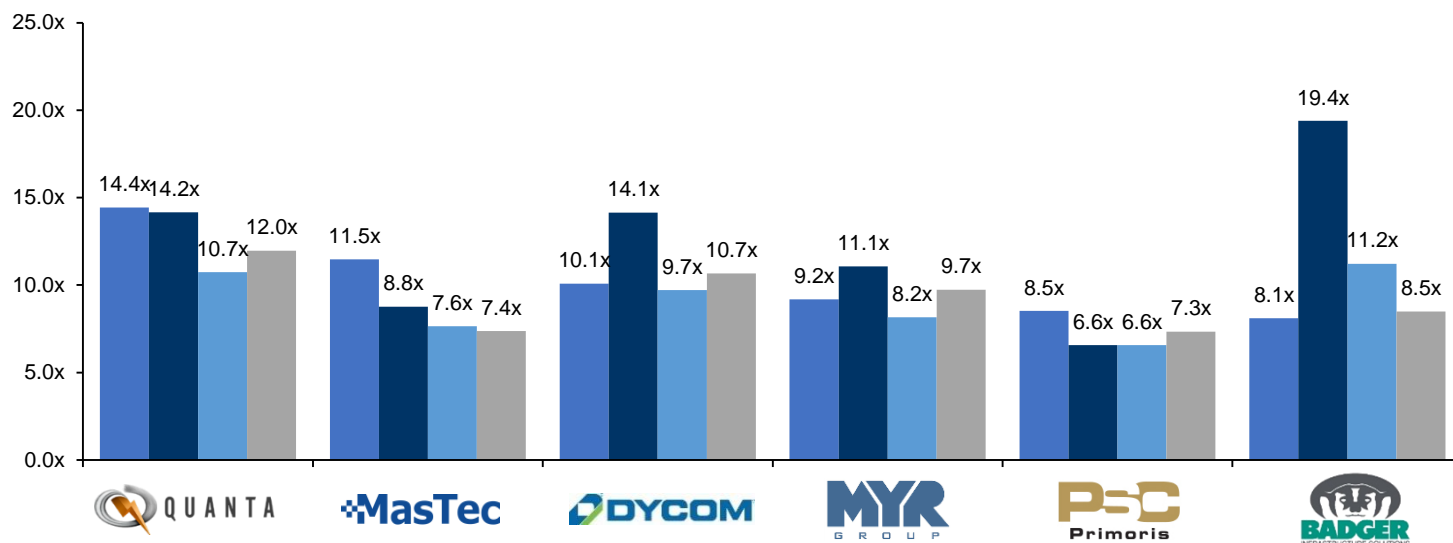
2022 2021 2020 2019

2022 Mean: 10.3x

2021 Mean: 12.4x

2020 Mean: : 9.0x

2019 Mean: 9.3x

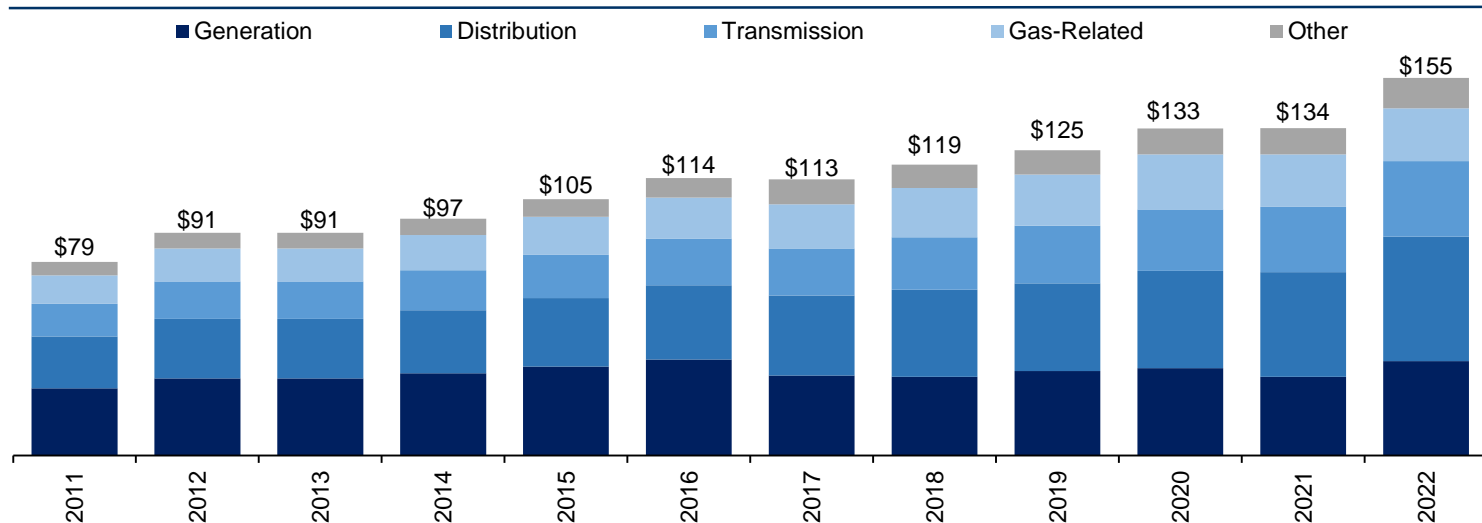


5-Year Trading Statistics (Median EV / LTM EBITDA) ⁽⁵⁾

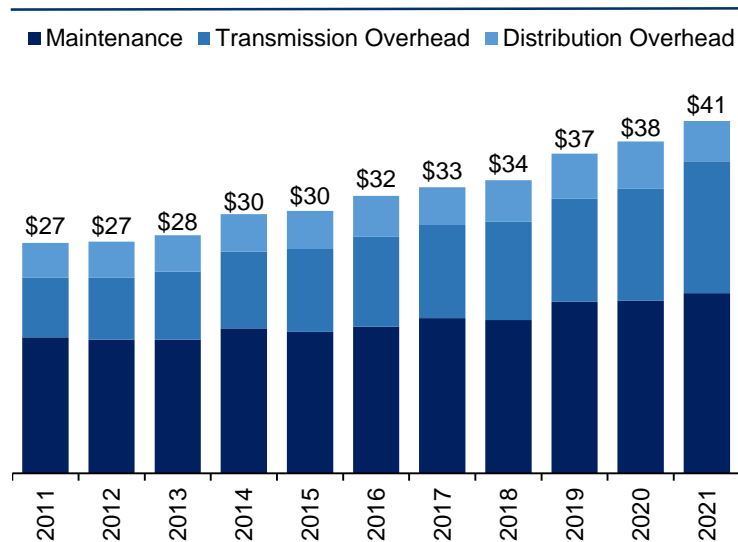


Industry Data

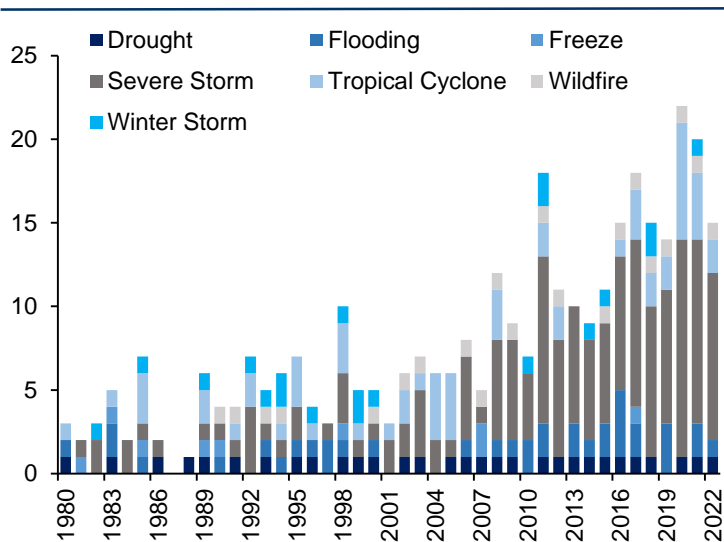
U.S. IOU Capex (\$ in billions) ⁽⁷⁾



U.S. IOU Costs (\$ in billions) ⁽⁸⁾

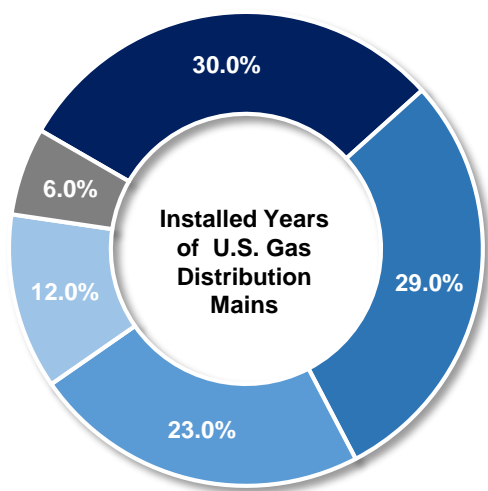


of U.S. Billion Dollar Extreme Weather Events ⁽⁹⁾



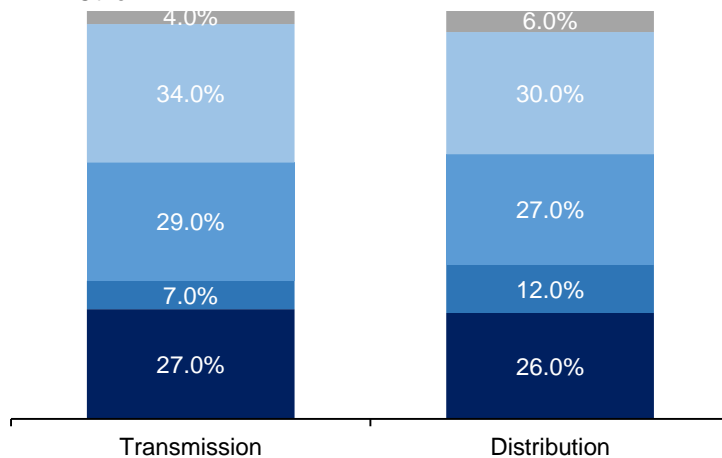
% of Gas Distribution Mains by Decade Installed ⁽²⁾

■ 2000-2019 ■ 1980-1999 ■ 1960-1979 ■ Pre-1959 ■ Unknown



Breakdown of Electric Infrastructure Investment ⁽⁷⁾

■ Hardening & Resilience ■ Advanced Technology
■ Expansion ■ Replacement
■ Other

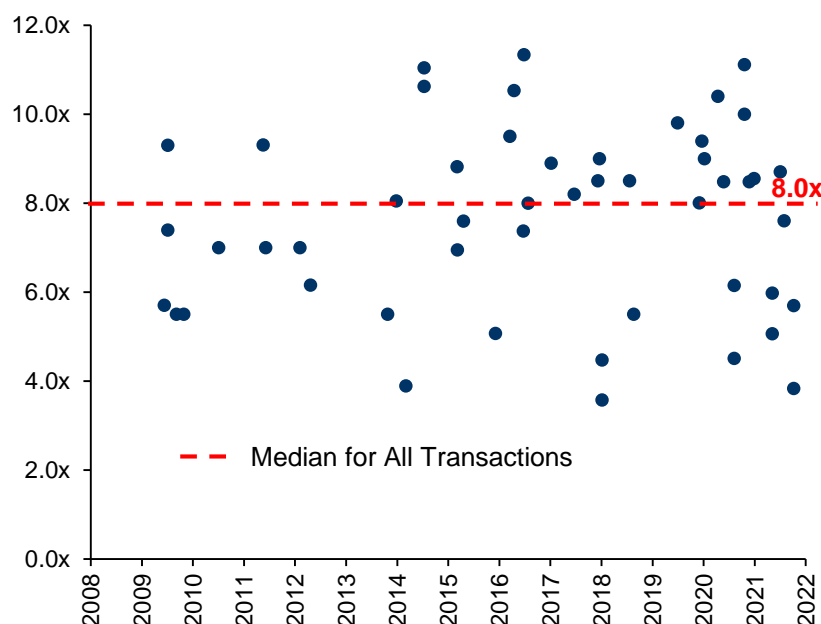


Utility Services M&A Transactions ⁽⁵⁾ ⁽¹⁰⁾

The median EV / LTM EBITDA multiple for 50 utility services transactions compiled from 2010 to 2022 is 8.0x. Scale of EBITDA is an important variable to consider when analyzing sector multiples. Of the 50 transactions included in the DSP data set, 39 had EBITDA less than \$100M. The median EV / LTM EBITDA for companies with less than \$100M of EBITDA is 7.6x. The median EV / LTM EBITDA for companies with \$10M to \$100M of EBITDA is 8.5x, while the median for companies with less than \$10M of EBITDA is 5.1x. Companies with more than \$10M of EBITDA typically trade at a premium to smaller companies due to their scale, geographic reach, and lower degree of customer concentration, which is common within the industry.

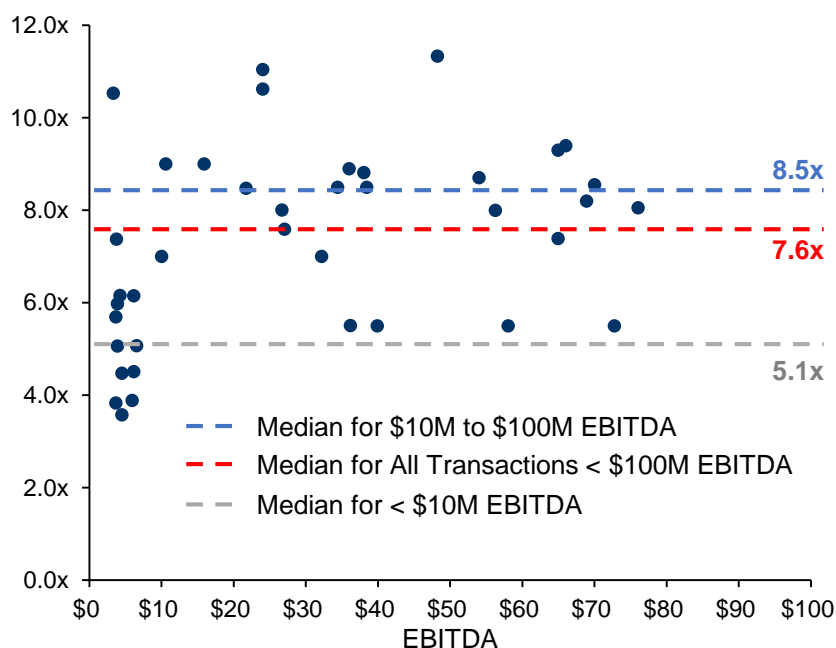
50 Transactions (2010-2022): All Transactions

Metric	Mean	Median
EV	\$670	\$293
EV / LTM Revenue	1.1x	1.1x
EV / LTM EBITDA	7.6x	8.0x
LTM Revenue	\$899	\$300
LTM EBITDA	\$86	\$38



39 Transactions (2010-2022): < \$100M in EBITDA

Metric	Mean	Median
EV	\$240	\$209
EV / LTM Revenue	1.3x	1.1x
EV / LTM EBITDA	7.3x	7.6x
LTM Revenue	\$239	\$180
LTM EBITDA	\$30	\$27



Notable M&A Activity ⁽⁵⁾

Company Name	# of 2022 Transactions	Description
	-	<ul style="list-style-type: none"> No identified disclosed acquisitions in 2022
	1	<ul style="list-style-type: none"> Undisclosed Company (\$400K) – Telecommunication construction services
	2	<ul style="list-style-type: none"> Infrastructure and Energy Alternatives (\$1.1 billion) – EPC services to the renewable energy, traditional power, and civil infrastructure industries including project delivery, design, site development, construction, installation, and maintenance Shade Tree Services – T&D vegetation management services including right-of-way clearing and maintenance, reclamation, and emergency storm response
	1	<ul style="list-style-type: none"> Powerline Plus (\$89.7 million) – Engineering, design, procurement, construction, and distributed generation services for the electric power and civil markets
	2	<ul style="list-style-type: none"> PLH Group (\$470.0 million) – Specialty construction and related contracting services for the electric power and pipeline markets B Comm (\$36.0 million) – Maintenance, repair, upgrade, and installation services for the communications market
	1	<ul style="list-style-type: none"> Undisclosed Company (\$22.0 million) – Utility construction services for trenching, underground pipeline, and electrical conduit installation

Recent M&A and Strategic Commentary



"We continue to look at M&A but none of these opportunities provide the return profile that our organic growth opportunities provide. We remain committed to our disciplined approach in evaluating all future M&A opportunities."

- **Darren J. Yaworsky, CFO, 5/13/22**



"In terms of an acquisition, we've got pretty good geographic coverage. It could always be better. We don't have the same level of exposure everywhere. You can always have broader customer relationships. No matter how big we are, those relationships are always valuable. Our capital allocation strategy prioritizes organic growth, followed by opportunistic share repurchases and M&A within the context of our historical range of net leverage."

- **Steven Nielsen, President & CEO, 11/22/22**



"We have focused on growing our presence in the electrical grid market. Through the acquisition of IEA, we've significantly increased our market share in the clean energy space. With the integration of our acquired assets mostly complete, we are now focused on growth and driving margin improvement. We've made two big acquisitions in the last two years. On the power delivery side, we have tremendous opportunities across transmission projects."

- **José Mas, CEO & Director, 2/24/23**



"We continue to have a steady backlog and acquire new work in competitive markets, which positions us well for consistent success moving forward. Electrical infrastructure across North America continues to see significant investment and expansion. The 2022 North American Electric Transmission forecast by C Three Group released in September indicates a strong potential for healthy growth moving forward, as electricity demands continue to increase across the country."

- **Richard Swartz, CEO & Director, 10/27/22**



"We were able to build on our communications and power delivery service offerings with the acquisitions of B Comm and PLH. B Comm was a smaller strategic acquisition that supplemented our communication services with new customers in the rapidly growing Central Texas region. Power delivery and communications will remain two areas we plan to continue to build our size and scope. We have made big entries into the power delivery market in the past several years with PLH and Future. Through a combination of acquisitions and continuous operational improvement, as well as through education and training, we expect to further our reputation as one of the top specialty contractors in North America. We continue to take significant steps to reposition Primoris for long-term success in higher growth, higher margin end markets across our segments."

- **Thomas McCormick, President & CEO, 2/28/23**



"We continue to successfully advance our front-end solution strategy, both organically and through acquisitions and strategic investments. Our focus is on strengthening our design, engineering, permitting, environmental, logistics, and program management capabilities. This strategy allows us to expand our solutions to our customers and provide them with greater certainty around cost, time to market and quality, which ultimately benefits consumers. It also enhances our risk management capabilities and increases our total addressable market. We continue to identify and make strategic investments in acquisitions."

- **Earl Austin, President & CEO, 2/23/23**

Select New Private Equity Backed Platforms

Financial Sponsor	Portfolio Company	Business Description
		Underground wet utility maintenance services for storm sewers, water mains, sanitary sewers, and duct banks
		Specialty cleaning, maintenance, and underground infrastructure services for commercial, industrial, and municipal customers
		Underground infrastructure maintenance and construction services including manhole and lift station rehabilitation for municipalities
		Turnkey substation services including site preparation, installation of grounding framework, foundations, and underground conduit projects for utility providers and EPC firms
		Telecom and gas utility services including outside plant fiber construction, aerial and underground capabilities, inside plant network construction, gas distribution services, underground electrical services, and engineering
		Provider of vegetation management services such as land lot & clearing, traffic control, and tree certifications for utilities and municipal governments
		Infrastructure and electrical construction services for commercial, institutional, utility, and industrial customers
		Cathodic protection and corrosion control services including material design, project engineering, and installation for major underground pipeline companies and utilities
		Utility and infrastructure services for the water, wastewater, gas, power, telecoms, and transportation sectors
		Specialized utility-scale solar construction services including above and underground utility construction, directional drilling, and pipeline construction for private developers and utilities
		Design, construction, and maintenance services for water utilities
		Turnkey utility services for the electric, gas, water, telecom, rail, vegetation management, and directional drilling markets
		Technology-enabled infrastructure project management platform for the electric utility and telecom markets

Select Existing Private Equity Platforms

Prior Financial Sponsor	Current Financial Sponsor	Portfolio Company	Business Description
			Root control, line control, FOG solutions, sewer evaluation services, rehabilitation, and other environmental services for municipal sewer systems
			Critical vegetation management services including site clearing and emergency storm response for electric utilities
			Outsourced utility locating services for marking sub-surface utility infrastructure across cable, telecom, electric, gas, water, and sewer markets
			Underground stormwater management systems for engineers, owners, and municipalities
			Electrical utility grid and infrastructure maintenance services with focus on upgrading, hardening, and expanding electrical transmission, substation, and distribution infrastructure
			Advanced subsurface infrastructure maintenance and hydro-excavation services for municipal-owned, commercial, and industrial facilities and utilities. Representative services include hydro-excavation, stormwater maintenance, pipe jetting, sweeping, CCTV pipe inspection, disposal, and other subsurface services

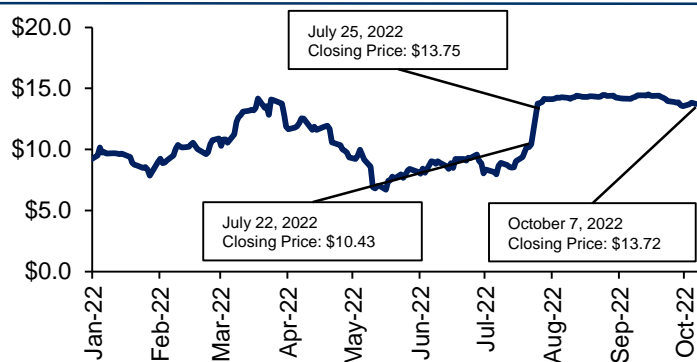
M&A Transaction Case Study – MasTec’s Acquisition of Infrastructure and Energy Alternatives ⁽⁵⁾

- On July 25, 2022, MasTec (NYSE:MTZ) and IEA (NASDAQ:IEA) announced they entered into a definitive agreement under which MasTec was to acquire all of the outstanding shares of IEA
- The total enterprise value was \$1.1 billion with consideration structured as \$610.0 million in cash and ~2.8 million shares of MasTec common stock
- The 2.8 million of MasTec stock represented approximately 30.0% of pro forma ownership
- The offer price of \$14.00 per share represented a 34.2% premium over the closing price of \$10.43 as of 7/22/2022
- Between announcement and closing (10/7/2022) of the transaction, MasTec’s share price decreased 9.6% from \$72.52 to \$65.53
- The transaction was funded with a combination of cash on hand, drawings under MasTec’s existing credit facility, and additional debt financing
- The transaction was unanimously approved by the Boards of Directors of MasTec and IEA and subject to approvals under the Hart-Scott-Rodino Act
- IEA’s transaction with MasTec was the result of a strategic outreach process to 24 counterparties, consisting of strategic acquirers (including MasTec), financial sponsors, and sponsor-backed strategies ⁽¹³⁾

Transaction Overview (as of 7/25/2022 Announcement)

Target	
Buyer	
Transaction Structure	Cash-and-Stock
Share Price (\$)	\$14.00
Premium (%) ⁽¹¹⁾	34.2%
Per Share Consideration Breakdown	\$10.50 in cash (75.0%) 0.0483 shares of MasTec stock at \$3.50 (25.0%)
Stock Exchange Ratio	Fixed
Enterprise Value	\$1.1 billion
2022E EBITDA Multiple ⁽¹³⁾	7.6x
2022E Revenue Multiple ⁽¹³⁾	0.5x

IEA (NASDAQ:IEA) Stock Price Performance



IEA Overview ⁽¹³⁾

- IEA is a diversified infrastructure company providing EPC services to the renewable energy, traditional power, and civil infrastructure industries
- IEA’s capabilities include full EPC project delivery, design, site development, construction, installation, and maintenance services for wind power projects, solar power projects, and electrical systems
- 2022E Revenue: ~\$2.4 billion
- 2022E Adj. EBITDA: ~\$145.0 million

MasTec (NYSE:MTZ) Stock Price Performance



MasTec’s Strategic Rationale



Expands presence in the attractive renewable power generation market



Enhances MasTec’s ability to capitalize on growing demand from new infrastructure bills



Diversifies national customer base and creates opportunities through broadening of services



Provides access to a highly-skilled pool of union and non-union craft labor

M&A Transaction Case Study – Primoris Services Corporation Acquires PLH Group ⁽⁵⁾

- On June 27, 2022, Primoris Services Corporation (“PSC” or the “Company”) announced that it entered into a definitive merger agreement to acquire PLH Group, Inc. (“PLH Group” or “PLH”)
- The deal was structured as an all-cash transaction valued at \$470.0 million
- The transaction was funded via issuance of a new incremental term loan and a partial draw on an upsized revolver
- PSC expects to achieve ~\$10.0mm of cost synergies (overhead, equipment rental, and shared services)

PSC’s Strategic Rationale



Doubles PSC’s power delivery business and increases its utilities segment to over 50.0% of pro forma revenue



Accelerates PSC’s ongoing portfolio transition towards higher-growth, higher-margin end markets and recurring MSA revenue



Enhances presence in highly attractive Sunbelt and California regions as well as establishes a presence in New England



Provides access to a highly-skilled and scalable labor force

PLH Overview ⁽¹⁵⁾

- PLH is a specialty contractor providing construction and related services to the power delivery, gas utilities, and industrial markets in the U.S. and Canada
- PLH was a portfolio company of Energy Capital Partners, a private equity firm, since 2009 and completed 12 acquisitions through 2014
- In 2021, approximately 61.0% of PLH’s revenue was derived from electric utilities, 20.0% from gas utilities, and 19.0% from other industrial customers
- LTM May 2022 Revenue: \$733.0 million
- LTM May 2022 Adj. EBITDA: \$54.0 million
- LTM May 2022 Free Cash Flow Conversion: ~72.0%

Transaction Overview (as of 7/27/2022 Announcement)

Target



Buyer



Transaction Structure

All-Cash

Enterprise Value

\$470.0 million

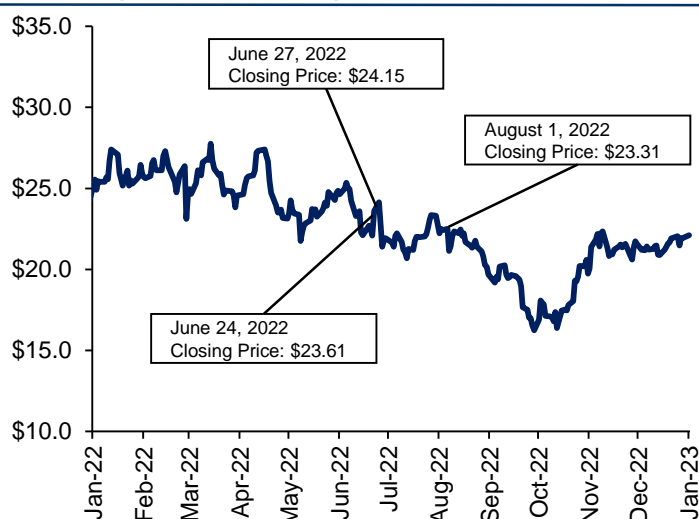
LTM EBITDA Multiple
(Pre-Synergies) ⁽¹⁴⁾

8.7x

LTM Revenue Multiple

0.6x

PSC (NASDAQ:PRIM) Stock Price Performance



“We’re excited about the opportunities Primoris provides for both our customers and employees. Primoris’ services allow us to offer new capabilities to our existing customers while we continue to advance our values of safety, integrity, professionalism, and teamwork. Further, Primoris’ size and expanded footprint will give PLH access to greater career mobility and more diverse job opportunities in the future.”

– Peter Sandore, CEO of PLH Group



“This acquisition aligns solidly with our strategic focus on higher-growth, higher-margin business segments. It expands our footprint for power delivery services at a time when improvement and expansion of our domestic electric grid is driving massive capital investment in this market.”

– Tom McCormick, President & CEO of PSC

Select M&A Transactions

Date	Target (Seller)	Acquiror	Target Business Description
12/22/22	Tri Sage Consulting	Qualus Corporation (New Mountain Capital)	High voltage grid interconnection design and engineering services for renewable power projects
12/22/22	GridSource	Hastings Equity Partners	Telecom and gas utility services including outside plant fiber construction, aerial and underground capabilities, plant network construction, and gas distribution services
12/20/22	Pipetek Infrastructure Services	Duke's Root Control (Comvest Partners)	Pipeline inspection, assessment, maintenance, and repair services for sewer and gas utilities
12/13/22	Duke's Root Control (Altamont Capital Partners)	Comvest Partners	Sewer, utility, and underground infrastructure service to municipalities, and commercial customers
12/12/22	Midland Survey	Lucion Services (Palatine Private Equity)	Topographical surveys, underground utility surveys, CCTV drainage repairs, and 3D modelling services
12/9/22	Rayne Staffing	CEIS (White Wolf Capital)	Recruitment agency services for engineering and skilled trade roles in power delivery, power generation, renewables, telecommunication, and utility industries
12/5/22	CrossRoads	AWP (Kohlberg & Company)	Traffic control solutions for municipalities and construction companies
12/5/22	MOTPlans	AWP (Kohlberg & Company)	Traffic control services for utilities
11/29/22	United Locating Services	Sparus Holdings (Ridgemont Equity Partners)	Underground utility locating and damage prevention services
11/14/22	Aptus SI	Magnolia River Services (Warren Equity Partners)	Turnkey engineering and infrastructure services including inspection, engineering, installation, and maintenance services for bridge-attached utilities, and water systems
11/7/22	Vac-One Services	Pro-Vac (Gallant Capital Partners)	Vacuum and hydro-excavation and cathodic protection services for subsurface utility end markets
11/2/22	Eastern Communications	New England Electrical (Pfingsten)	Maintenance, repair and upgrade services for telecommunications infrastructure
11/2/22	Aegion Energy Services	Brock Group (American Industrial Partners)	Maintenance, turnaround, construction, and safety services for critical energy infrastructure
11/1/22	Fairwest Corrosion Company	IMB Partners	Cathodic protection and corrosion control services including design, engineering, and installation for underground pipeline companies and utilities
10/22/22	kV Power	Warren Equity Partners	Electrical utility grid and infrastructure maintenance services including upgrading, hardening and construction
10/18/22	Echezabal & Associates	SAM (Peak Rock Capital)	Land surveying, mapping, and subsurface utility engineering services
10/7/22	GeoScan Utility and Structural Investigation	Epiroc AB	Utility locating and site survey investigation services
10/7/22	Infrastructure and Energy Alternatives	MasTec (NYSE:MTZ)	EPC services for the renewable energy, traditional power, and civil infrastructure industries
10/4/22	Bobcat Power	Cotton Creek Capital	Turnkey substation services including site preparation, installation of grounding framework, subgrade foundations, and installation of underground conduit
9/30/22	Hess Broadband	TriStruX (Huron Capital)	Fiber optic splicing and specialty construction services to telecommunications network customers
9/28/22	BHI Power Delivery	United Utility Services (Bernhard Capital)	Specialty utility transmission and distribution services across transmission, substation, distribution, and grid hardening projects
9/20/22	Xylem	W.A. Kendall & Co (Sterling Investment Partners)	Vegetation management, line clearance tree trimming, disaster recovery, and emergency storm response services to electric utilities
9/14/22	Graham Utility	Ambipar	Utility and infrastructure services for the gas, power, transport, wastewater, telecommunication, and water sectors
9/14/22	Corix Infrastructure	SouthWest Water Company	Water, wastewater, and energy utility infrastructure solutions for small and medium-sized municipalities
9/4/22	DKM Utility Services	Abergeldie Complex Infrastructure	Installation and removal of water main infrastructure, pipe cracking, asbestos pipes, and directional drilling services for utilities
8/23/22	Atlas Innovative	New England Electrical (Pfingsten)	Maintenance and repair services for critical telecommunications infrastructure
8/22/22	Rowland	Calvert Street Capital Partners	Underground infrastructure services including manhole rehabilitation, lift station rehabilitation, sanitary sewer, storm sewer, and water main construction
8/22/22	LaFata Contract Services (IMB Partners)	Anser Advisory (Sterling Investment Partners)	Project engineering and construction management services for the gas and electric utility industries
8/16/22	High Energy Electrical Testing	RESA Power (Investcorp)	Electrical testing, commissioning, installation, and repair services for power transmission and power distribution systems
8/11/22	SavATree (Apax)	Barrett's Tree Service	Tree care and preservation services for utility companies
8/10/22	USIC Locating Services (Partners Group)	Kohlberg & Company	Underground utility locating services
8/8/22	Advanced Electrical Services	RESA Power	Field services, engineering, training, and construction services for the electric utility, renewable energy, and oil and gas markets
8/8/22	Linewise Aerial	SAM Companies (Peak Rock Capital)	Aerial inspection and mapping services for the electrical utility end market
7/31/22	Traffic Control Partners	Hastings Equity Partners	Traffic control services including equipment rental, line striping, and flagging for road infrastructure and utility customers
7/14/22	Distributed Energy Financial Group	E Source Companies (Align Capital Partners)	Utility customer research and advisory services for utility companies
7/11/22	Network Plus	OMERS Private Equity	Utility and infrastructure service for the water, wastewater, gas, power, telecoms, transportation sectors
6/29/22	Community Tree Services	Hastings Equity Partners	Vegetation management services to utilities and municipal governments on the West Coast
6/28/22	Modern Link Communications	New England Electrical (Pfingsten)	Maintenance, repair, and upgrade services for critical telecommunications infrastructure
6/27/22	PLH Group	Primoris (NASDAQ:PRIM)	Utility services for power delivery and gas utility end markets including first-to-last mile electric T&D installation, maintenance, upgrades, and replacements

Select M&A Transactions (cont'd)

Date	Target (Seller)	Acquiror	Target Business Description
6/7/22	Directional Services	Rising Point Capital	Utility-scale solar construction services including above and underground utility construction, directional drilling, and pipeline construction for private developers and utilities
6/2/22	Fabre Engineering	Bowman Consulting Group (NASDAQ:BWMN)	Land surveying, project financing, and engineering services for water and wastewater utilities, land developers, and municipalities
6/1/22	Think Power Solutions	Warren Equity Partners	Technology-enabled infrastructure project management platform for the electric utility and telecom markets
5/31/22	BHI Energy	Westinghouse Electric Company	Turnkey specialty mechanical and maintenance services for the electric, gas, oil, and nuclear end markets
5/31/22	J. Lee Associates	Thayer Power (Calera Capital)	Radio frequency, electrical consulting, and contracting services for commercial and utility customers
5/25/22	Draper Aden Associates	TRC Companies (Warburg Pincus)	Geotechnical, structural, surveying, waste resource engineering, and construction services for utilities
5/5/22	DRMP	Trilon Group (Alpine Investors)	Construction inspection, design-build, ecological, and subsurface utility engineering services
5/5/22	Tower Engineering Solutions	Congruex (Crestview Partners)	Structural engineering services for wireless tower infrastructure
5/5/22	Sorensen Companies	Congruex (Crestview Partners)	Turnkey fiber and wireless infrastructure services including aerial and underground fiber optic construction and outside plant construction
5/4/22	EDIOM	CIMA+	Advisory, engineering, project and construction management, and testing services for the renewable energy, and utilities markets
5/4/22	Bandera Utility Contractors	Argonaut Private Equity	Underground wet utility contracting services for developers and municipalities
5/2/22	Valitant Energy Services	GridTek Utility Services (First Reserve)	Construction, servicing, testing, and commissioning services for the electrical power industry
5/2/22	American Power	GridTek Utility Services (First Reserve)	Electrical transmission and distribution maintenance, repair, and upgrade services for electrical utilities
4/20/22	Above	Rubicon Partners	Design, construction, and maintenance for water utilities
4/8/22	Hypower	Infra Build Holdings (SMC Infrastructure Partners)	Electrical construction, power infrastructure, and emergency disaster response services
4/7/22	StormTrap (Warren Equity Partners)	PSP Capital	Underground stormwater management systems for engineers, owners and municipalities
4/7/22	O'Connor Utilities Group	Triton	Turnkey utility services across electric, gas, water, telecoms, rail, vegetation management, and directional drilling end markets
4/6/22	FOS Fiber Optics	Young's Communications (Grain Management)	Technical services for fiber optic users including CATV, power utility, fiber-to-the-plant, and cellular back-haul applications
3/21/22	Inside Infrastructure	Ricardo plc (LSE:RCDO)	Strategic and technical advisory services to utility, water, and transport sectors
3/10/22	STC Netcom	Centerline Communications (Audax Private Equity)	Wireless communications site development services
3/8/22	Novinium	Southwire Company	Cable rejuvenation services focused on the electric utilities end market
3/3/22	Impact Power Solutions	New Energy Equity	Solar power construction and development services
3/1/22	Carr & Duff	IMB Partners, Gemspring Capital	Electrical construction services including building, maintenance, repair, and inspection of transmission and distribution systems, and substations
2/23/22	Mancuso Property Solutions	GeoPoint Surveying	Underground utility locating services including subsurface utility engineering, underground storage tanks, and road inspections
2/23/22	United Sciences Testing	TRC Companies (Warburg Pincus)	Emissions testing services for utility and industrial customers
2/22/22	Pro-Vac (RLJ Equity Partners)	Gallant Capital Partners	Advanced subsurface infrastructure maintenance and hydro-excavation services for municipal-owned, commercial, and industrial facilities and utilities
2/22/22	Communications Infrastructure	Thayer Power (Calera Capital)	Communication construction and contracting services including tower construction and maintenance, inspections, and engineering
2/11/22	Cloud 9 Services	Canopy Capital	Utility cleaning, inspection and repair services for government entities, and contractors
2/1/22	Trilon Group	Alpine Investors	Infrastructure consulting services for water, utilities, environment, and transportation end markets
1/31/22	Clean Water Works	Capital Infrastructure Group	Commercial utility cleaning, inspection, and repair services
1/11/22	XS Telecom	MKD Electric (Hasting Equity Partners)	Communications infrastructure services including voice and data network cable design, installation, and support solutions
1/6/22	Shade Tree Service Company	MasTec (NYSE:MTZ)	Vegetation management services for the electric utility and telecommunication markets
1/6/22	Contact Network	Thrive Operations	Telecom utility services
1/5/22	Utility Resource Group	USIC Locating Services (Partners Group)	Underground utility locating, gas leak detection, meter services, sewer lateral inspections, and cross bore mitigation for utilities and municipalities
1/4/22	Powerline Plus	MYR Group (NASDAQ:MYRG)	EPC services for electric power utilities
1/4/22	AAC Utility Partners	E Source Companies (Align Capital Partners)	Consulting services for electric utilities
1/3/22	Parisi Construction Co	Walbec Group	Infrastructure construction services including subdivision development, commercial site work, and municipal construction services

Recent DSP Utility Services Transaction Experience



Delancey Street Partners is pleased to announce that Hess Broadband ("Hess" or the "Company"), has been acquired by TriStruX, a portfolio company of Huron Capital ("Huron"). Delancey Street Partners served as financial advisor to Hess and negotiated the terms of the transaction.

About Hess Broadband

Hess is a provider of fiber optic splicing and specialty construction services to telecommunications network customers in Pennsylvania, Delaware, and New Jersey. Hess was founded in 2005 and is based in Warwick, Pennsylvania.

About TriStruX

TriStruX provides comprehensive turnkey telecommunications service solutions across the continental United States. TriStruX's mission is to provide the highest level of quality and excellence as a turnkey solution provider, building telecommunications infrastructure (5G, fiber installation, macro tower services, DAS) in its key markets.

About Huron Capital

Founded in Detroit in 1999, Huron partners with entrepreneurs and management teams, empowering their companies to new levels of excellence. Huron provides resources to help companies grow by professionalizing operations, improving service offerings, executing M&A strategies and accessing new markets. Huron Capital has managed over \$1.8 billion on behalf of a global institutional investor base. Huron fulfills its commitment to all stakeholders by employing a repeatable playbook to drive thoughtful value creation.

"Our cultural alignment, common vision for value creation and potential synergies with the TriStruX team make this partnership a natural fit, and I'm confident this will help accelerate our recruiting efforts and organic growth. Huron and TriStruX represent a unique cultural fit for a small business owner, and our team is confident in the partnership and in the transparency we've been provided in this process"

– Fran Hess, Founder and President of Hess Broadband



Delancey Street Partners is pleased to announce that we served as exclusive financial advisor to Storti Quality Services ("Storti" or the "Company") on its sale to Magnolia River ("Magnolia"), a portfolio company of Warren Equity Partners ("Warren").

About Storti Quality Services

Storti is a provider of inspection, consulting and construction support services to electric and gas utility companies throughout the Northeast and Mid-Atlantic regions. The Company's services include: gas and electric service line inspections for both new and existing construction; project management for various gas, electrical, and safety projects; and GPS asset location, digital as-built, and surveyor services.

About Magnolia River Services

Magnolia River Services provides inspection, engineering, GIS, and technology solutions for utility and natural gas pipeline infrastructure and operations. Utility, municipality, and industrial customers across the Southeast, Southwest, and Midwest rely on Magnolia for their pipeline replacement, deployment, and maintenance requirements.

About Warren Equity Partners

Warren Equity Partners is a private equity firm that invests in middle market operating companies primarily in North America.

"We are partnering with a best-in-class organization that shares our core values and vision for growth. We believe there are significant opportunities to leverage Magnolia River's engineering, GIS, and software capabilities to enhance Storti's offering and deliver additional value to our customers"

– Dan Wagner, CEO of Storti Quality Services

Delancey Street Partners: Transaction Experience

Business Services & Technology

 has been acquired by a portfolio company of Advisor to Seller	 has been acquired by a portfolio company of Advisor to Seller	 has been acquired by Advisor to Seller	 has completed growth equity financing with Advisor to Globo
 has been acquired by Advisor to Seller	 a portfolio company of has completed a majority growth recapitalization with Advisor to RIVS	 has been acquired by a portfolio company of Advisor to Seller	 has completed a majority recapitalization and growth equity financing with Advisor to Seller

Healthcare

 has received an investment from Advisor to Herspiegel	 has acquired Advisor to Buyer	 has been acquired by a portfolio company of and the edgewater funds Advisor to Seller	 has received an investment from the edgewater funds Advisor to Deerfield
 has merged with a portfolio company of Advisor to Pyxa	 has completed a majority recapitalization with Advisor to Emmes	 has been acquired by a portfolio company of New Mountain Capital LLC Advisor to Seller	 has been acquired by NATIONAL MEDICAL GROUP Advisor to Seller

Industrial & Industrial Technology

 has acquired Electronic Component Distribution Advisor to Buyer	 a portfolio company of has been acquired by Advisor to Seller	 a portfolio company of has completed a senior debt financing with Advisor to FST Technical Services	 has divested Seven D - Southern Division to Advisor to Seller
 has completed a senior debt financing with We Stand For Service Advisor to Crystal Steel Fabricators Inc.	 a portfolio company of has been acquired by Advisor to Seller	 has been acquired by Advisor to Seller	 has divested RELIABILITY TEST PRODUCTS to Advisor to Seller Fairness Opinion

Infrastructure

 has been acquired by a portfolio company of Advisor to Seller	 has been acquired by a portfolio company of Advisor to Seller	 a portfolio company of has been acquired by an entity formed by Advisor to Seller	 a portfolio company of has been acquired by Advisor to Seller
 has been acquired by Advisor to Seller	 a portfolio company of has been acquired by Advisor to Seller	 has completed a debt recapitalization with Advisor to Easton Coach Company	 has been acquired by Advisor to Seller

Delancey Street Partners

Delancey Street Partners is an independent, industry-focused investment bank. We serve CEOs, Entrepreneurs, Shareholders, and Boards of Directors of high growth and middle market private and public companies. Our services include strategic advisory, capital raising, and independent board advice. We advise on sell-side and buy-side M&A, growth capital financings, and recapitalizations. Our focus sectors include Business Services & Technology, Healthcare, Industrial & Industrial Technology, and Infrastructure.

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Securities offered through DSP Securities, LLC Member SIPC | Member FINRA

All other transactions effectuated through Delancey Street Partners, LLC

Appendix

1. *Economic uncertainty to propel \$52 billion Trenchless Technology Water & Wastewater opportunity*. Bluefield Research, from <https://www.bluefieldresearch.com/ns/economic-uncertainty-to-propel-52-billion-trenchless-technology-water-wastewater-opportunity/>
2. *Pipeline mileage and facilities*. PHMSA, from <https://www.phmsa.dot.gov/data-and-statistics/pipeline/pipeline-mileage-and-facilities>
3. Common Ground Alliance. *2021 Dirt Report*. 2021 DIRT Report, from <https://dirt.commongroundalliance.com/>
4. Image courtesy of Members of America's Pipeline Industry
5. CapIQ and public company filings (10-Ks, 10-Qs, and investor presentations)
6. DSP utility services index includes: Badger Infrastructure Solutions (TSX:BDGI), Dycom Industries (NYSE:DY), MasTec (NYSE:MTZ), Mistras Group (NYSE:MG), Primoris Services Corporation (NASDAQ:PRIM), Quanta Services (NYSE:PWR)
7. Edison Electric Institute. *Industry capital Expenditures*, from <https://www.eei.org/>
8. Energy Information Administration. *U.S. Energy Information Administration - EIA - independent statistics and analysis*. Electric Power Annual 2021, from <https://www.eia.gov/electricity/annual/>
9. *Billion-Dollar Weather and Climate Disasters*. Billion-Dollar Weather and Climate Disasters | National Centers for Environmental Information (NCEI), from <https://www.ncei.noaa.gov/access/billions/>
10. DSP Proprietary Database
11. Premium over closing price on July 22, 2022, the last date before MasTec's offer to purchase IEA
12. Midpoint of management's 2022E estimate as provided in MasTec's investor presentation, "*Strategic Acquisition of Infrastructure and Energy Alternatives*", 7/25/2022
13. IEA Board of Directors. (2022, September 8). *Letter to IEA Stockholders (Filed pursuant to Rule 424(b)(3))*, from <https://investors.mastec.com/static-files/f76c87f9-26f6-402c-aa19-61f4756a36aa>.
14. Excludes ~\$10.0 million of expected synergies
15. Primoris Service Corporation. *Primoris to acquire PLH Group*, from <https://ir.prim.com/~media/Files/P/Primoris-IR-v2/presentations/2022/2022-0627-acquisition-ir-deck-vff.pdf>